

Message Text

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PAGE 01 LA PAZ 02067 221331Z

43

ACTION ARA-10

INFO OCT-01 ISO-00 EB-07 COME-00 TRSE-00 OPIC-03 AID-05

CIEP-01 OMB-01 INT-05 PM-03 NSC-05 SP-02 SS-15

CIAE-00 DODE-00 INR-07 NSAE-00 PA-01 USIA-06 PRS-01

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P 212130Z MAR 75

FM AMEMBASSY LA PAZ

TO SECSTATE WASHDC PRIORITY 6075

C O N F I D E N T I A L LA PAZ 2067

3. O. 11652: GDS

TAGS: EMIN, BEXP, BL

SUBJECT: FEASIBILITY STUDY FOR SIDERSA'S MUTUN IRON ORE MINING
AND SMELTING PROJECT

REF: (A) LA PAZ 6556, OCTOBER 7, 1974; (B) MEMO OF CONVERSATION
WITH KAISER REP. ON MARCH 3, 1975

1. ACCORDING TO VERY RELIABLE TECHNICAL SOURCE, ANALYSIS
OF BIDS SUBMITTED BY VARIOUS FOREIGN COMPANIES TO CONDUCT
FEASIBILITY STUDY TO MINE MUTUN'S HEMATITE-MAGNETITE DEPOSIT
AND TO CONSTRUCT IRON-STEEL PLANTS WILL BE TURNED OVER TO
CABINET MARCH 21, 1975 BUT MAY BE DELAYED UNTIL NEXT WEEK.
REPORTEDLY, FIRST CHOICE IS MC KEE COMPANY, PRIMARILY
BECAUSE OF LOW COST BID FOR STUDY AMOUNTING TO US\$ 5.2
MILLION. CONSORTIUM OF FRG GROUP OF COMPANIES, KLOCKNER,
KORF, LURGI, SIEMENS, AND RHEIN RUHR, IN SECOND PLACE BUT
CONSORTIUM BID WAS HIGH US\$ 18 MILLION. TECHNICALLY BOTH
ABOVE STUDIES REPORTEDLY WERE ABOUT EQUAL.

2. KAISER REPORTEDLY SUBMITTED TOO MUCH OF GENERAL REPORT TO
SUPPORT ITS BID WITHOUT SUFFICIENT PERTINENT DETAILS AND
NEVER SENT ANYBODY TO LOOK AT MUTUN.

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PAGE 02 LA PAZ 02067 221331Z

3. WILLY KORF, OF KORF COMPANY ARRIVED IN LA PAZ ON MARCH 20. NEWSPAPER ACCOUNTS INDICATE HE IS HERE TO DISCUSS POSSIBILITIES OF VARIOUS MINERAL DEPOSITS IN BOLIVIA BUT APPARENTLY WITH SPECIAL EMPHASIS ON MUTUN MANGANESE. HE ANNOUNCED THAT HIS EXPERTS WOULD ARRIVE ON NEXT LUFTHANSA FLIGHT TO DO "MORE FROFOUND" STUDIES OF BOLIVIAN MINERALS. KNOWLEDGEABLE BOLIVIAN CONTACTS HAVE TOLD US THAT KROF VISIT UNRELATED TO MUTUN FEASIBILITY STUDY.

4. IN VIEW LITTLE TIME IF ANY REMAINING BEFORE CABINET DECISION, THER IS PORBABLY LITTLY THAT CAN OR SHOULD BE DONE. WE BELIEVE HOWEVER, INFO IN PARA #3 SHOULD BE COMMUNICATED TO MC KEE AND KAISER.
STEDMAN

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Message Attributes

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